



Michigan *Office of the Auditor General* **REPORT SUMMARY**

Performance Audit

Information Technology Investment Management Practices

Michigan Department of Information Technology

Report Number:
084-0595-07

Released:
August 2008

For the six fiscal years 2001-02 through 2006-07, the State invested \$2.93 billion in information technology (IT) services for application development, operations, maintenance of existing information systems, and infrastructure. IT investment management best practices are used by private companies and governmental agencies alike to increase their return on investment. The Michigan Department of Information Technology (MDIT) was established, in part, to improve the management of IT investments.

Audit Objective:

To assess the effectiveness of MDIT's efforts to establish the management structure, policies, and procedures needed to ensure that the State invests in IT projects that best support the State's strategic goals.

Audit Conclusion:

MDIT's efforts to establish the management structure, policies, and procedures needed to ensure that the State invests in IT projects that best support the State's strategic goals were moderately effective. We noted two reportable conditions (Findings 1 and 2).

Reportable Conditions:

MDIT should expand its IT investment management practices beyond the agency level to formalize a complete IT investment management program at the enterprise level (Finding 1).

MDIT did not consistently apply key project management practices that would support an IT investment management program at the enterprise level (Finding 2).

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Audit Objective:

To assess the effectiveness of MDIT's efforts to implement key monitoring practices to ensure that the State's investments in IT projects meet cost, schedule, and performance expectations.

Audit Conclusion:

MDIT's efforts to implement key monitoring practices to ensure that the State's investments in IT projects meet cost, schedule, and performance expectations were moderately effective. We noted one reportable condition (Finding 3).

Reportable Condition:

MDIT should expand its monitoring of its enterprise-wide portfolio strategic IT projects to include additional performance data (Finding 3).

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Agency Response:

Our audit report contains 3 findings and 3 corresponding recommendations. MDIT's preliminary response indicated that it agreed with all of the findings and partially agreed with the recommendations.

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A copy of the full report can be
obtained by calling 517.334.8050
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<http://audgen.michigan.gov>



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